



STATE AND SCHOOL
EMPLOYEES'

Life AND Health

P L A N

Know Your Benefits

NEW YEAR / NEW NAMES

The names of the two coverage options under the Plan are changing effective January 1, 2006.

*The High Deductible Health Plan (HDHP) will be called **Base Coverage**. The Standard Plan will be called **Select Coverage**.*

You will only complete an Application for Coverage form if you change coverage types or add dependents during Open Enrollment.

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2006 PLAN OPEN ENROLLMENT PERIOD

Through the Plan's annual Open Enrollment period in October, you have the opportunity to elect the health insurance coverage that is best for you and your family. Please be sure to read this newsletter in its entirety so that you understand your Open Enrollment options and the benefit changes that will be effective January 1, 2006.

Open Enrollment

Active Employees: If you or your eligible dependents are not currently covered under the State and School Employees' Health Insurance Plan, you may apply for coverage during the month of October. Coverage will be effective January 1, 2006. Remember, you must be covered in order to cover your dependents.

COBRA Participants: If your eligible dependents are not currently covered under the Plan, you may apply for coverage for those dependents during the month of October to be effective January 1, 2006.

You may elect the High Option for Children if you already cover your dependents, or if you are enrolling dependents. *Please refer to the Plan Document (PD) for more details on this coverage.*

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Any employee or dependent applying for coverage during this Open Enrollment period is a “late enrollee” and will be subject to an eighteen (18) month pre-existing condition exclusion period. This period will be reduced by the total amount of prior creditable coverage the person had prior to enrollment. Refer to the PD for more information on reducing the pre-existing condition exclusion period.

Open Enrollment for Non-Medicare Retirees

Although retirees cannot add dependents during Open Enrollment, they can change coverage options. See information regarding Base and Select Coverage in this newsletter.

IMPORTANT PLAN BENEFIT CHANGES IN 2006

To help you make informed decisions regarding benefits for 2006, it is important that you review the benefit changes described in this newsletter. There will be several changes to the Plan effective January 1, 2006.

Adult Wellness/Preventive Services

Effective January 1, 2006, the Plan will provide first-dollar coverage up to \$250 for certain adult wellness/preventive services. The Plan will pay 100% of the allowable charge, up to the \$250 maximum, for office visits and certain diagnostic tests. These services will not apply to the calendar year deductible.

Benefits will only be provided when a provider participating in the AHS State Network renders services. Unused benefit amounts do not carry over to the next year.

A list of the covered wellness/preventive tests can be found at the Plan's web site, <http://knowyourbenefits.dfa.state.ms.us> or you can call BCBS at 1-800-709-7881 to request a copy.

Physician Assistants

Effective January 1, 2006, the Plan will include Physician Assistants as covered providers.

If you are an active employee applying for or changing coverage for yourself or your eligible dependents, you must return the completed Application for Coverage form to your Human Resources office. Contact your Human Resources office for their deadline for receiving applications. COBRA participants and retirees should contact Blue Cross Blue Shield to request a form. All forms must be received at Blue Cross Blue Shield by October 31, 2005.

Select Coverage Calendar Year Deductible

Effective January 1, 2006, the Select Coverage calendar year deductibles for medical services will be as follows:

	In-Network	Out-of-Network
Individual Calendar Year Deductible	\$500	\$1,000
Family Calendar Year Deductible	\$1,000	\$2,000

Select
COVERAGES

Base Coverage

Base Coverage qualifies as a high deductible health plan under federal tax regulations. Effective January 1, 2006, high deductible health plans must include a combined medical and pharmacy high deductible in order for participants to be eligible to contribute to a Health Savings Account (HSA). In order to comply with this federal regulation, prescription drugs will be subject to the same deductible as medical services effective January 1, 2006.

Allowable charges for prescription drugs will be applied to the calendar year deductible. After the calendar year deductible has been met, prescription drug co-payments will apply. Those co-payments will apply to the coinsurance/co-payment maximum.

The chart below outlines deductibles, coinsurance amounts, and coinsurance/co-payment maximums effective January 1, 2006.

	In-Network	Out-of-Network
Calendar Year Deductible – Individual Coverage	\$1,050	
Calendar Year Deductible – Family Coverage	\$2,100	
Individual Coinsurance/Co-payment Maximum	\$2,450	\$3,950
Family Coinsurance/Co-payment Maximum	\$4,900	\$7,900
Coinsurance for In-Area Participants	80%	60%
Coinsurance for Out-of-Area Participants	80%	75%

Base
COVERAGES

Base Coverage Rates

The following charts include new rate information that affects Plan participants under the Base Coverage. It is important that you compare the premium amount deducted from your check to the chart below to be sure you are paying the correct premium. These premiums will become effective January 1, 2006. Therefore, the deduction will come from your December check.

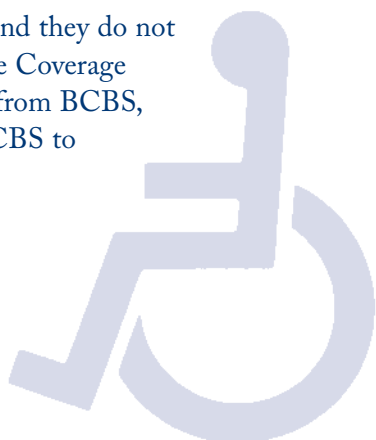
ACTIVE EMPLOYEES	Total Premium	Employee Cost
Employee Only	\$290	0
Plus Spouse	\$575	\$285
Plus Spouse and Children	\$727	\$437
Plus Child	\$364	\$74
Plus Children	\$479	\$189
Plus Spouse and Children with High Option	\$747	\$457
Plus Child and High Option	\$384	\$94
Plus Children and High Option	\$499	\$209

RETIREES	Not Medicare Eligible	Not Medicare Eligible AND Married to an Active Employee
Retiree Only	\$334	\$310
Plus Spouse (Not Medicare Eligible)	\$661	N/A
Plus Child	\$419	\$384
Plus Children	\$551	\$499
Plus Spouse and Child(ren) (No Dependents Medicare Eligible)	\$836	N/A
Plus Child with High Option	\$439	\$404
Plus Children with High Option	\$571	\$519
Plus Spouse and Child(ren) (No Dependents Medicare Eligible) with High Option	\$856	N/A

COBRA PARTICIPANTS	Participant Cost	Disability Extension
Participant Only	\$295	\$435
Plus Spouse	\$586	\$862
Plus Spouse and Children	\$741	\$1,090
Plus Child	\$371	\$546
Plus Children	\$488	\$718
Plus Spouse and Children with High Option	\$761	\$1,120
Plus Child and High Option	\$391	\$576
Plus Children and High Option	\$508	\$748
Participant with High Option	\$316	\$465

Active Employees with Disabled Dependents

If you have a dependent who is Medicare eligible and they do not receive a Creditable Coverage Disclosure Notice from BCBS, you can contact BCBS to have one sent.



Coverage and Rate Changes for Medicare Eligible Retirees

Once Medicare Part D becomes effective January 1, 2006, the Plan will no longer provide prescription drug coverage to Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses. These participants will receive a separate newsletter outlining the changes in coverage and rates. If you or your spouse is in one of the categories listed above, please read that newsletter carefully so that you fully understand the changes.

If you would like to receive a copy of the Medicare newsletter, contact the Office of Insurance at 1-866-586-2781 or (601) 359-3411. You can also find the newsletter online at <http://knowyourbenefits.dfa.state.ms.us>.

In October, Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees will receive from Blue Cross Blue Shield (BCBS) a Creditable Coverage Disclosure Notice that will need to be provided to the prescription drug plan they choose. You can contact BCBS at 1-800-709-7881 to request a copy of the Notice.

Plan Eligibility Requirements for Retiring Employees

House Bill 26, signed into law by Governor Barbour on June 20, 2005, makes changes to the eligibility requirements for employees retiring on or after July 1, 2005. Employees retiring on or after July 1, 2005, (not due to work-related disability) must have been covered under the State and School Employees' Health Insurance Plan for 4 years in order to continue coverage under the Plan as a retiree. This is in addition to the current eligibility requirements listed on page 46 in the *2005 Plan Document*.

Catalyst Rx

The Health Insurance Management Board has entered into contract negotiations with Catalyst Rx to serve as the pharmacy benefit manager beginning January 1, 2006. Participants will receive new identification cards and other information prior to January 1, 2006.

Know Your Benefits

STATE OF MISSISSIPPI
DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF INSURANCE
P.O. BOX 24208
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JANUARY 1, 2006

BENEFIT AND RATE CHANGES

Open Enrollment